

Minutes of the meeting held on February 6, 2023

Present: Francis Murphy – Chair, Michael Gardner, Nadia Chamblin-Foster, John Shinkwin, Joseph McCann, Ellen Philbin, James Quirk, and Chris Burns.

The meeting was called to order at 11:06 AM. The meeting was digitally recorded. This was a hybrid meeting, held in-person in the Sheila Tobin Conference Room at 125 CambridgePark Drive, with some participants joining via Webex videoconference.

Agenda Item #1 – Minutes

Motion by McCann, seconded by Shinkwin to accept the regular minutes of the meeting held on January 3, 2023. Voted unanimously.

Motion by Shinkwin, seconded by Gardner to accept the executive session minutes of the meeting held on January 3, 2023. The motion carried on a 4-0 voted with Chamblin-Foster abstaining.

Agenda Item #2 - Warrants

Motion by McCann, seconded by Shinkwin to accept payment of Warrant #2 in the amount of \$8,635,874.70 and Warrant #3 in the amount of \$463,600.84. The Director stated that Rafik Ghazarian would discuss the system's cash flow at the next investment review.

The Director stated that the Hancock Timber and Farmland fund issued rebates to the system for management fees in the first and third quarters of 2022. Because a preliminary number was entered on the warrant in those quarters, it is necessary to vote to make amendments to warrant #11 and warrant #23. Motion by Shinkwin, seconded by Gardner to accept payment of Warrant #11 in the amended amount of \$2,014,687.06 and Warrant #23 in the amended amount of \$2,226,034.47. Voted unanimously.

Agenda Item #3 – Superannuations

Motion by Gardner, seconded by Shinkwin to accept the Superannuation retirement applications submitted by Stephen Corda, Managing Director, Water Dept. with thirty-one years, seven months; Miriam DaSilva, Clerk Specialist, School Dept. with thirty-six years, five months; Candyce Dostert, Grant Specialist, School Dept. with twenty-three years, five months; Chandra Gooding, Conflict Mediator, School Dept. with sixteen years, four months; Susan Kale, Sergeant, Police Dept. with twenty-nine years, ten months; Jean Kuropatkin, Clerk Specialist, School Dept. with forty-four years, one month; Gary Melanson, Radiologic Technologist, Cambridge Health Alliance with twenty-six years, eight months; Debra Morris, Operations Assistant, Dept. of Public Works with eleven years, eight months; Matilde Santos, Registered Nurse, Cambridge Health Alliance with twenty-five years, nine months; William Simmons, Plaster Tile Setter, Cambridge Housing Authority with thirty-eight years, nine months; Paul Simonds, Laborer, Cambridge Health Alliance with forty-five years, seven months. Gardner noted that Corda critical to running a department that required both management skills and an engineering background. Voted unanimously.

Agenda Item #4 - Make-ups/Redeposits/Liability

The Board reviewed make-up and redeposit worksheets for three members.

Motion by Gardner, seconded by McCann to allow the make-up of deductions for Miranda Cox for seven months. Voted unanimously.

Motion by Shinkwin, seconded by Chamblin-Foster allow the redeposit of refunds for Kim D. Baugh, seven months and Michael A. Cook, seven years, one month. Voted unanimously.

Agenda Item #5 – Refund Applications

The Board reviewed a list of refund applications submitted in January.

Motion by Gardner, seconded by Chamblin-Foster to accept nine refund applications. Voted unanimously.

The Chairman requested to adjourn the open meeting and go into executive session for the purpose of discussing disability retirement applications. The Chairman stated that the meeting would reconvene in open session the conclusion of the executive session. On a roll call, the vote was as follows:

John Shinkwin:	YES
Michael Gardner:	YES
Joseph McCann:	YES
Francis Murphy:	YES
Nadia Chamblin-Foster:	YES

Agenda Item #6 – Accidental Disability Application – Jesus Esquivel

The Board reviewed the member's application, treating physician's statement and employer's statement filed in connection with Jesus Esquivel's application for Accidental Disability benefits. Attorney Michael Akashian appeared, with Jesus Esquivel and Kathleen Esquivel.

Motion by Gardner, seconded by Chamblin-Foster to accept the Accidental Disability application filed by Jesus Esquivel, Storekeeper in the School Dept., and to request that PERAC convene a medical panel. Voted unanimously.

Agenda Item #7 – Increase to 2022 COLA

The Board reviewed PERAC Memo #29, correspondence from Attorney Quirk, and a written analysis from Kathleen Riley at Segal.

The Director stated that she had scheduled a meeting with the City Manager on February 28 to discuss the COLA. She will attend the meeting, with Murphy and McCann. The Chairman noted that Segal has provided an estimate of the cost if the 2022 COLA were retroactively increased to 5%. This would add approximately \$6.8 million to the system's unfunded liability. The Chairman stated that he would report back at the March meeting.

Agenda Item #8 – PERAC Memos

The Board reviewed PERAC Memos #1, 2, 3, 4, 5, 6, 7 and 8. No action was taken. Gardner asked about the benefit limit under Chapter 46 of the Acts of 2002 and if Louis DePasquale required any special arrangement in order for him to receive his full benefit. She stated that he was now under the benefit limit, and no retirees are currently being paid under a QEBA. She did state that there were certain highly-paid retirees who selected Option C, but if they were predeceased by their spouses, their Option A popup amount might subject them to the earnings limit. She also noted that highly paid members can be subject to a deduction limit, where their pensions can only be based on a certain amount of earnings, and no further retirement deductions are taken once they reach that limit.

Agenda Item #9 - Old Business

Not needed.

Agenda Item #10 - New Business

Not needed.

Agenda Item #11 – Executive Session

Agenda Item #6 – adopted

Agenda Item #12 - Chairman's Report

None offered.

Agenda Item #13 – Executive Director's Report

The Director reported that 1099s were mailed to all retirees and refunded members. In February, the system will also send out annual affidavits to all retirees. The system had good success in 2022 encouraging members to return their forms by fax or email and will continue to offer that option.

The following documents were also reviewed by the Board:

- Notice of Retiree Deaths
- Segal Marco – Preliminary Analysis of Investment Performance – December 21, 2022
- Labaton Sucharow – Security Litigation Report – 4Q 2022
- Correspondence from Income Research & Management re: Service Update
- Manager/Vendor Disclosures: Mellon Emerging Markets Equity Fund, Mellon Small Cap Index Fund

McCann moved to adjourn at 12:05 PM.